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FORM AR21

Trade Union and Labour Relations (Consolidation) Act 1992

ANNUAL RETURN FOR A TRADE UNION

| | | | |
|--|---------------------------------------|--|--------------------------|
| Name of Trade Union: | TRANSPORT SALARIED STAFFS ASSOCIATION | | |
| Year ended: | 31 December 2016 | | |
| List no: | 376T | | |
| Head or Main Office: | WALKDEN HOUSE | | |
| | 10 MELTON STREET | | |
| | LONDON | | |
| | | | |
| | | | |
| Postcode | NW1 2EJ | | |
| Website address (if available) | | | |
| Has the address changed during the year to which the return relates? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | ('X' in appropriate box) |
| General Secretary: | MANUEL CORTES | | |
| Telephone Number: | 0207 529 8000 | | |
| Contact name for queries regarding the completion of this return | DIONNE BROWN | | |
| Telephone Number: | 0207 529 8015 | | |
| E-mail: | brownd@tssa.org.uk | | |

PLEASE FOLLOW THE GUIDANCE NOTES IN THE COMPLETION OF THIS RETURN.

Any difficulties or problems in the completion of this return should be directed to the Certification Officer as below or by telephone to: 020 7210 3734

The address to which returns and other documents should be sent are:

For Unions based in England and Wales:
Certification Office for Trade Unions and Employers' Associations
22nd Floor, Euston Tower, 286 Euston Road, London NW1 3JJ

For Unions based in Scotland:
Certification Office for Trade Unions and Employers' Associations
Melrose House, 69a George Street, Edinburgh EH2 2JG



(Revised February 2011)

List of officers in post for the period ending December 2016

| |
|--|
| Mr Cortes -General Secretary |
| Mick Carney - President |
| Jason Turvey - Treasurer |
| Ms Fox - Executive Committee Member |
| Mr Bailey - Executive Committee Member |
| Mr Kilroy - Executive Committee Member |
| Mr Lawrence - Executive Committee Member |
| Mr Andrews - Executive Committee Member |
| Mr Leggett - Executive Committee Member |
| Mr Wood - Executive Committee Member |
| Mr Clark - Executive Committee Member |

RETURN OF MEMBERS

(see notes 10 and 11)

| NUMBER OF MEMBERS AT THE END OF THE YEAR | | | | | | |
|--|---------------|------------------|----------------|---|--------|--------|
| | Great Britain | Northern Ireland | Irish Republic | Elsewhere Abroad (including Channel Islands) | TOTALS | |
| MALE | 12,803 | 175 | 366 | | 13,344 | |
| FEMALE | 4,785 | 121 | 244 | | 5,150 | |
| TOTAL | 17,588 | 296 | 610 | | A | 18,494 |

Number of members included in totals box 'A' above for whom no home or authorised address is held:

| |
|--------|
| 541 |
| 18,494 |

Number of members at end of year contributing to the General Fund

OFFICERS IN POST

(see note 12)

Please attach as an annexe to this form a complete list of all officers in post at the end of the year to which this form relates, with the title of each persons office.

RETURN OF CHANGE OF OFFICERS

Please complete the following to record any changes of officers during the twelve months covered by this return

| Title of Office | Name of Officer ceasing to hold Office | Name of Officer Appointed | Date |
|---------------------|--|---------------------------|-------------|
| Executive Committee | Mr Prest | | 01 May 2016 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

State whether the union is:

a. A branch of another trade union?

Yes

No

If yes, state the name of that other union:

b. A federation of trade unions?

Yes

No

If yes, state the number of affiliated unions:

and names:

GENERAL FUND

(see notes 13 to 18)

| | £ | £ |
|--|--------------------------|------------------|
| INCOME | | |
| From Members: Contributions and Subscriptions | | 4,028,876 |
| From Members: Other income from members (specify) | | |
| Total other income from members | | |
| Total of all income from members | | 4,028,876 |
| Investment income (as at page 13) | | 1,317,167 |
| Other Income | | |
| Income from Federations and other bodies (as at page 4) | | |
| Income from any other sources (as at page 4) | 95,301 | |
| Total of other income (as at page 4) | | 95,301 |
| | TOTAL INCOME | 5,441,344 |
| Interfund Transfers IN | | |
| EXPENDITURE | | |
| Benefits to members (as at page 5) | | 2,268,920 |
| Administrative expenses (as at page 11) | | 3,208,515 |
| Federation and other bodies (specify) | | |
| Total expenditure Federation and other bodies | | |
| Taxation | | |
| | TOTAL EXPENDITURE | 5,477,435 |
| Interfund Transfers OUT | | |
| Surplus (deficit) for year | | -36,091 |
| Amount of general fund at beginning of year | | |
| Amount of general fund at end of year | | -36,091 |

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ANALYSIS OF INCOME FROM FEDERATION AND OTHER BODIES AND OTHER INCOME

(see notes 19 and 20)

| DESCRIPTION | £ | £ |
|--|----------|--------|
| Federation and other bodies | | |
| TOTAL FEDERATION AND OTHER BODIES | | |
| Other income | | |
| Other Income | 192,743 | |
| Transfer To Provident Benefit | 44,558 | |
| Pension Scheme | 79,000 | |
| Actuarial Loss | -221,000 | |
| TOTAL OTHER INCOME | | 95,301 |
| TOTAL OF ALL OTHER INCOME | | 95,301 |

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ANALYSIS OF BENEFIT EXPENDITURE SHOWN AT GENERAL FUND

(see notes 21 to 23)

| | £ | | £ |
|---|---------|---|-----------|
| Representation – Employment Related Issues | | brought forward | 298,278 |
| Legal | | Education and Training services | |
| Representation – Non Employment Related Issues | | | |
| Business Support | 298,278 | Negotiated Discount Services | |
| Communications | | | |
| | | Salary Costs | 1,970,642 |
| Advisory Services | | | |
| | | Other Benefits and Grants (specify) | |
| Dispute Benefits | | | |
| Other Cash Payments | | | |
| carried forward | 298,278 | Total (should agree with figure in General Fund) | 2,268,920 |

(see notes 26 to 31)

| POLITICAL FUND ACCOUNT 1 | | To be completed by trade unions which maintain their own fund | |
|---------------------------------|---|--|----------|
| | | £ | £ |
| Income | Members contributions and levies | | 140,172 |
| | Investment income (as at page 12) | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | | Total income | 140,172 |
| Expenditure | Expenditure under section 82 of the Trade Union and Labour Relations(Consolidation) Act 1992 (specify) | | 181,305 |
| | Administration expenses in connection with political objects (specify) | | |
| | Non-political expenditure | | |
| | | Total expenditure | 181,305 |
| | | Surplus (deficit) for year | -41,133 |
| | Amount of political fund at beginning of year | 6,155 | |
| | Amount of political fund at the end of year (as Balance Sheet) | -34,978 | |
| | Number of members at end of year contributing to the political fund | 17,535 | |
| | Number of members at end of the year not contributing to the political fund | 959 | |
| | Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund | 505 | |

| POLITICAL FUND ACCOUNT 2 | | To be completed by trade unions which act as components of a central trade union | |
|---------------------------------|---|---|----------|
| | | £ | £ |
| Income | Contributions and levies collected from members on behalf of central political fund | | |
| | Funds received back from central political fund | | |
| | Other income (specify) | | |
| | Total other income as specified | | |
| | | Total income | |
| Expenditure | Expenditure under section 82 of the Trade Union and Labour Relations (Consolidation) Act 1992 (specify) | | |
| | Administration expenses in connection with political objects (specify) | | |
| | Non-political expenditure | | |
| | | Total expenditure | |
| | | Surplus (deficit) for year | |
| | Amount held on behalf of trade union political fund at beginning of year | | |
| | Amount remitted to central political fund | | |
| | Amount held on behalf of central political fund at end of year | | |
| | Number of members at end of year contributing to the political fund | | |
| | Number of members at end of the year not contributing to the political fund | | |
| | Number of members at end of year who have completed an exemption notice and do not therefore contribute to the political fund | | |

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ANALYSIS OF ADMINISTRATIVE EXPENSES AND OTHER OUTGOINGS EXCLUDING AMOUNTS CHARGED TO POLITICAL FUND ACCOUNTS

(see notes 32 and 33)

| | | £ |
|--|--|-----------|
| Administrative Expenses | | |
| Remuneration and expenses of staff | | 1,228,768 |
| Salaries and Wages included in above | 943,710 | |
| Auditors' fees | | 18,000 |
| Legal and Professional fees | | |
| Occupancy costs | | |
| Stationery, printing, postage, telephone, etc. | | 346 |
| Expenses of Executive Committee (Head Office) | | 225,304 |
| Expenses of conferences | | |
| Other administrative expenses (specify) | | |
| Central services | | 1,352,346 |
| Grants | | 6,250 |
| Events and travel | | 44,558 |
| | | 111 |
| Self-organised group fund | | 33 |
| Branch account and other expenses | | 5,021 |
| Divisional Councils organising | | 1,727 |
| Other Outgoings | | |
| Bank Loans | | NIL |
| Mortgages | | NIL |
| Other Loans | | NIL |
| Depreciation | | 221,556 |
| Taxation | | 86,617 |
| Outgoings on land and buildings (specify) | | |
| | | 296,656 |
| Other outgoings (specify) | | |
| | | |
| | Total | 3,487,293 |
| Charged to: | General Fund (Page 3) | 3,208,515 |
| | Branch Accounts | 65,339 |
| | Divisional Councils Fund | 5,917 |
| | Benevolent Fund Cat 2 | 6,250 |
| | Provident Benefit Fund | 73,931 |
| | Revaluation Reserve (Property) | 126,954 |
| | Pensions Reserve Fund (included in Central fund balance) | |
| | Special Reserve Fund | |
| | Self-organised group fund | 387 |
| | Total | 3,487,293 |

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ANALYSIS OF OFFICIALS SALARIES AND BENEFITS

(see notes 34 to 44 below)

| Office held | Gross Salary £ | Employers N.I. contributions £ | Benefits | | Total £ |
|--|-------------------|---|----------------------------|----------------|------------|
| | | | Pension Contributions £ | Other Benefits | |
| | | | | Description | |
| Mr Cortes - General Secretary | 82,488 | 9,292 | 15,038 | | 106,818 |
| Mick Carney - President | 6,237 | | | | 6,237 |
| Jason Turvey - Treasurer | 4,395 | | | | 4,395 |
| Ms Fox - Executive Committee Member | 3,102 | | | | 3,102 |
| Mr Bailey - Executive Committee Member | 498 | | | | 498 |
| Mr Kilroy - Executive Committee Member | 440 | | | | 440 |
| Mr Lawrence - Executive Committee Member | 2,183 | | | | 2,183 |
| Mr Andrews - Executive Committee Member | 129 | | | | 129 |
| Mr Leggett - Executive Committee Member | 849 | | | | 849 |
| Mr Wood - Executive Committee Member | 522 | | | | 522 |
| Mr Clark - Executive Committee Member | 1,600 | | | | 1,600 |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

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ANALYSIS OF INVESTMENT INCOME

(see notes 45 and 46)

| | Political Fund £ | | Other Fund(s) £ |
|-----------------------------------|------------------------|--|-----------------------|
| Rent from land and buildings | | | |
| Dividends (gross) from: | | | 698,772 |
| Equities (e.g. shares) | | | 617,529 |
| Interest (gross) from: | | | |
| Government securities (Gilts) | | | |
| Mortgages | | | |
| Local Authority Bonds | | | |
| Bank and Building Societies | | | 866 |
| Other investment income (specify) | | | |
| Pension finance income | | | 79,000 |
| | | | 1,396,167 |
| | | Total investment income | 1,396,167 |
| | | Credited to: | |
| | | General Fund (Page 3) | 1,317,167 |
| | | Branch Accounts | |
| | | Divisonal Councils Fund | |
| | | Benevolent Fund Cat 2 | |
| | | Provident Benefit Fund | |
| | | Revlaution Reserve (Property) | |
| | | Pensions Reserve Fund (included in Central fund balance) | 79,000 |
| | | Special Reserve Fund | |
| | | Pensions Reserve Fund (included in Central fund balance) | |
| | | Political Fund | |
| | | Total Investment Income | 1,396,167 |

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FIXED ASSETS ACCOUNT

(see notes 51 to 55)

| | Land and Buildings | | Furniture and Equipment | Motor Vehicles | Not used for union business | Total |
|---|--------------------|-----------|----------------------------|-------------------|--------------------------------|------------|
| | Freehold | Leasehold | | | | |
| | £ | £ | | | | |
| Cost or Valuation | | | | | | |
| At start of year | 6,344,860 | | 1,257,935 | | 1,704,394 | 9,307,189 |
| Additions | | | 50,224 | | | 50,224 |
| Disposals | | | | | | |
| Revaluation/Transfers | | | | | | |
| At end of year | 6,344,860 | | 1,308,159 | | 1,704,394 | 9,357,413 |
| Accumulated Depreciation | | | | | | |
| At start of year | -1,811,108 | | -1,216,655 | | -553,346 | -3,581,109 |
| Charges for year | -158,430 | | -53,836 | | -63,126 | -275,392 |
| Disposals | | | | | | |
| Revaluation/Transfers | | | | | | |
| At end of year | -1,969,538 | | -1,270,491 | | -616,472 | -3,856,501 |
| Net book value at end of year | 4,375,322 | | 37,668 | | 1,087,922 | 5,500,912 |
| Net book value at end of previous year | 4,533,752 | | 41,820 | | 1,151,048 | 5,726,080 |

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ANALYSIS OF INVESTMENTS

(see notes 56 and 57)

| QUOTED | All Funds Except Political Funds £ | Political Fund £ |
|--|--|---------------------|
| Equities (e.g. Shares) | | |
| Government Securities (Gilts) | | |
| Other quoted securities (to be specified) | 18,313,395 | |
| TOTAL QUOTED (as Balance Sheet) | 18,313,395 | |
| Market Value of Quoted Investment | 18,313,395 | |
| UNQUOTED | | |
| Equities | 850,000 | |
| Government Securities (Gilts) | | |
| Mortgages | | |
| Bank and Building Societies | | |
| Other unquoted investments (to be specified) | | |
| TOTAL UNQUOTED (as Balance Sheet) | 850,000 | |
| Market Value of Unquoted Investments | | |

SUMMARY SHEET

(see notes 60 to 71)

| | All funds except Political Funds £ | Political Funds £ | Total Funds £ |
|---|--|--------------------------|---------------------|
| INCOME | | | |
| From Members | 4,096,654 | 140,172 | 4,236,826 |
| From Investments | 1,396,167 | | 1,396,167 |
| Other Income (including increases by revaluation of assets) | 95,301 | | 95,301 |
| Total Income | 5,588,122 | 140,172 | 5,728,294 |
| EXPENDITURE (including decreases by revaluation of assets) | | | |
| Total Expenditure | 6,358,213 | 181,305 | 6,539,518 |
| Funds at beginning of year (including reserves) | 18,590,849 | 6,155 | 18,597,004 |
| Funds at end of year (including reserves) | 17,820,758 | -34,978 | 17,785,780 |
| ASSETS | | | |
| Fixed Assets | | | 5,500,912 |
| Investment Assets | | | 19,163,395 |
| Other Assets | | | 1,798,383 |
| | | Total Assets | 26,462,690 |
| LIABILITIES | | Total Liabilities | 8,676,910 |
| NET ASSETS (Total Assets less Total Liabilities) | | | 17,785,780 |

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NOTES TO THE ACCOUNTS

(see notes 72 and 73)

All notes to the accounts must be entered on or attached to this part of the return.

Please see Appendix A.

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ACCOUNTING POLICIES

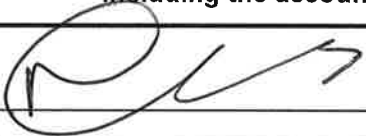
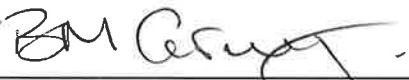
(see notes 74 and 75)

Please see Appendix B.

SIGNATURES TO THE ANNUAL RETURN

(see notes 76 & 77)

including the accounts and balance sheet contained in the return.

| | | | |
|---------------------------|--|--------------------------|---|
| Secretary's Signature: |  | Chairman's Signature: |  |
| | | | <small>(or other official whose position should be stated)</small> |
| Name: | MANUEL CORTES | Name: | MICK CARNEY |
| Date: | 14/9/17 | Date: | 14/9/17 |

CHECK LIST

(see notes 78 to 80)

(please enter 'X' as appropriate)

| | | | | |
|---|----------|--|-----------|--|
| IS THE RETURN OF OFFICERS ATTACHED? <small>(see Page 2 and Note 12)</small> | YES | | NO | |
| HAS THE RETURN OF CHANGE OF OFFICERS BEEN COMPLETED? <small>(see Page 2 and Note 12)</small> | YES | | NO | |
| HAS THE RETURN BEEN SIGNED? <small>(see Pages 19 and 21 and Notes 76 and 77)</small> | YES | | NO | |
| HAS THE AUDITOR'S REPORT BEEN COMPLETED? <small>(see Pages 20 and 21 and Notes 2 and 77)</small> | YES | | NO | |
| IS A RULE BOOK ENCLOSED? <small>(see Notes 8 and 78)</small> | YES | | NO | |
| A MEMBER'S STATEMENT IS: <small>(see Note 80)</small> | ENCLOSED | | TO FOLLOW | |
| HAS THE SUMMARY SHEET BEEN COMPLETED <small>(see Page 17 and Notes 7 and 59)</small> | YES | | NO | |

AUDITOR'S REPORT

(see notes 81 to 86)

made in accordance with section 36 of the Trade Union and Labour Relations (Consolidation) Act 1992.

1. In the opinion of the auditors or auditor do the accounts they have audited and which are contained in this return give a true and fair view of the matters to which they relate?
(See section 36(1) and (2) of the 1992 Act and notes 83 and 84)

| | | | |
|-----|-------------------------------------|----|--------------------------|
| YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|-------------------------------------|----|--------------------------|

If 'NO' please explain below

2. Have the auditors or auditor carried out such investigations in the preparation of their audit report as will enable them to form an opinion as to:
- (a) whether the trade union has kept proper accounting records in accordance with section 28 of the 1992 Act;
 - (b) whether it has maintained a satisfactory system of control over its transactions in accordance with the requirements of that section; and
 - (c) whether the accounts to which the report relates agree with the accounting records?
- (See section 36(3) of the 1992 Act, set out in note 83)

| | | | |
|-----|-------------------------------------|----|--------------------------|
| YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|-------------------------------------|----|--------------------------|

If 'NO' please explain below

3. Are the auditors or auditor of the opinion that the union has complied with section 28 of the 1992 Act and has:
- (a) kept proper accounting records with respect to its transactions and its assets and liabilities; and
 - (b) established and maintained a satisfactory system of control of its accounting records, its cash holding and all its receipts and remittances.
- (See section 36(4) of the 1992 Act set out in rule 83)

| | | | |
|-----|-------------------------------------|----|--------------------------|
| YES | <input checked="" type="checkbox"/> | NO | <input type="checkbox"/> |
|-----|-------------------------------------|----|--------------------------|

If 'NO' please explain below

4. Please set out a copy of the report made by the auditors or auditor to the union on the accounts
(See note 85)

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AUDITOR'S REPORT (continued)

Please see Appendix C.

Signature(s) of auditor or auditors:

Sayer Vincent LLP

Name(s):

Sayer Vincent LLP

Profession(s) or Calling(s):

Statutory Auditor

Address(es)

Sayer Vincent LLP

Invicta House

108-114 Golden Lane

London

Postcode EC1Y 0TL

Date:

~~14 July 2017~~ 28/9/17

Contact name and telephone number:

Farrah Kitabi 0207 841 6360

N.B. When notes to the accounts are referred to in the auditor's report a copy of those notes must accompany this return.

Independent auditor's report to the members of Transport Salaried Staffs' Association

Opinion

We have audited the financial statements of Transport Salaries Staffs' Association for the year ended 31 December 2016 which comprise the Branch account, the Divisional Councils account, the Self-Organised Groups account, the Political Fund account, the Provident Benefit Fund account, the Property Revaluation Reserve, the Central Fund, the balance sheet, the cash flow statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the Union's affairs as at 31 December 2016 and of its incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Trade Union and Labour Relations (Consolidated) Act 1992

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Union in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Executive Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Executive Committee have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Union's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue

Other information

The other information comprises the information included in the Executive Committees' annual report, other than the financial statements and our auditor's report thereon. The Executive Committee are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Trade Union and Labour Relations (Consolidated) Act 1992 requires us to report to you if, in our opinion:

- The information given in the Executive Committee' annual report is inconsistent in any material respect with the financial statements;
- Sufficient accounting records have not been kept in accordance with Section 28 of the Act; or
- The financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the Executive Committee's report, the Executive Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Executive Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Committee are responsible for assessing the Union's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Executive Committee either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the Union's members as a body, in accordance with section 36 of the Trade Union and Labour Relations (Consolidated) Act 1992. Our audit work has been undertaken so that we might state to the Union's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Union and the Union's members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the Executive Committees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14 July 2017

Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

g) Other Fixed Assets

Fixed assets are stated at cost less depreciation sufficient to write these assets off over their estimated lives. Depreciation is charged at an annual rate of 10% on cost, except for computers and office machinery where the assets are written off at a rate of 25% per annum.

h) Investments

Investments are listed investments and are held at fair value with reference to the quoted market price at the reporting date. Movements in the fair value of investments are included in the investment revaluation reserve.

i) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

j) Creditors

Short term trade creditors are measured at the transaction price.

k) Foreign Currency

The transactions of Branches and Divisional Council operations in the Republic of Ireland are translated at the average exchange rate prevailing during the year of the transaction. Assets and liabilities are translated into Sterling at the rate of exchange prevailing at the balance sheet date.

l) Pension costs and other post-retirement benefits

The Association operates a defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the Association.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to the Central Fund. The interest cost and expected return on assets are shown as a net amount in the Central Fund as Pension Scheme Financial Income. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Pension scheme assets are valued at market value at the balance sheet date. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. Pension scheme surpluses are recognised in full on the balance sheet.

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

1. ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102').

b) Going concern

The executive committee consider that there are no material uncertainties about the association's ability to continue as a going concern.

c) Subscriptions

Subscriptions deducted through the paybills and collected by direct debit are dealt with in the year to which they relate. Subscriptions from cash members are recognised on receipt.

d) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the bank.

e) Investment income

The changes in rule 38 allow the Executive Committee at its discretion to decide where such parts of investment income shall be allocated. Investment income is stated inclusive of income tax deducted at source. Any interest or net rent receivable shown in the Central Fund is subject to tax.

f) Freehold Land and Buildings

The Association's freehold property is stated at valuation. The Association has followed the transitional provisions allowable under FRS 15 and subsequently FRS 102, to hold the book cost of land and buildings as per the last revaluation carried out in 1999.

The buildings are depreciated over their estimated useful lives on a reducing balance basis with a residual balance of nil, as follows:

| | |
|-----------------|-------------------------|
| Walkden House | over a further 27 years |
| Scottish Office | over a further 25 years |
| York Office | over a further 36 years |

No depreciation is provided on the value of the freehold land.

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

3 Surplus/(Deficit) before tax is stated after charging:

| | 2016 £ | 2015 £ |
|---|-----------|-----------|
| Directors' remuneration | nil | nil |
| Auditors' remuneration (excluding VAT): | | |
| Audit | 18,000 | 18,000 |
| Other services | 36,000 | 36,000 |
| Depreciation | 275,392 | 224,851 |

4 Directors' and employees' costs and emoluments and support service costs

No emoluments are paid to any director.

Staff costs during the year were as follows:

| | 2016 £ | 2015 £ |
|-----------------------|------------------|------------------|
| Secretariat | 129,620 | 142,814 |
| Operations | 1,970,642 | 1,828,593 |
| Central services | 1,069,775 | 1,431,185 |
| | 3,170,037 | 3,402,592 |
| Wages and salaries | 2,225,826 | 2,158,204 |
| Social security costs | 203,892 | 194,389 |
| Pension costs | 740,319 | 1,049,999 |
| | 3,170,037 | 3,402,592 |

The average number of employees during the year was as follows:

| | 2016 Number | 2015 Number |
|---------------------------|----------------|----------------|
| Management Team | 2 | 5 |
| Business Support Services | 19 | 18 |
| Scotland | 1 | 1 |
| Northern Region | 8 | 8 |
| Southern Region | 10 | 8 |
| Education | 7 | 7 |
| SULF | 1 | 1 |
| Ireland | 2 | 2 |
| | 50.0 | 50.0 |

The total employee benefits including employer pension and national insurance contributions of the key management personnel were £195,210 (2015: £177,932).

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

2. TAXATION

| | 2016 | 2015 |
|--|----------------------|---------------|
| | £ | £ |
| Current year taxation | | |
| Corporation Tax: Provision for the current year at current rates | 86,617 | 86,639 |
| Under provision in prior years | - | 7,435 |
| | <u>86,617</u> | <u>94,074</u> |

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

| 5 Fixed Assets | Freehold Property £ | Furniture & Equipment £ | Computer Equipment £ | Refurbishment £ | Total £ |
|--------------------------|---------------------------|-------------------------------|----------------------------|-------------------------|-------------------------|
| Cost or Valuation | | | | | |
| Cost at 1.1.16 | 6,344,860 | 412,806 | 845,129 | 1,704,394 | 9,307,189 |
| Additions | - | - | 50,224 | - | 50,224 |
| Cost at 31.12.16 | <u>6,344,860</u> | <u>412,806</u> | <u>895,353</u> | <u>1,704,394</u> | <u>9,357,413</u> |
| Depreciation | | | | | |
| At 1.1.16 | 1,811,108 | 412,806 | 803,849 | 553,346 | 3,581,109 |
| Charge in Year | 158,430 | - | 53,836 | 63,126 | 275,392 |
| At 31.12.16 | <u>1,969,538</u> | <u>412,806</u> | <u>857,685</u> | <u>616,472</u> | <u>3,856,501</u> |
| Net book value | | | | | |
| At 31.12.16 | <u>4,375,322</u> | <u>-</u> | <u>37,668</u> | <u>1,087,922</u> | <u>5,500,912</u> |
| At 31.12.15 | <u>4,533,752</u> | <u>-</u> | <u>41,280</u> | <u>1,151,048</u> | <u>5,726,080</u> |

The freehold property situated at Walkden House, 10 Melton Street, London was revalued at £6,000,000 (£2,000,000 relates to land) in 1999 by Smith Melzack Pepper Angliss, Property Consultants and Valuation Surveyors on an open market basis. The freehold property at 180 Hope Street, Glasgow was also revalued in 1999 at £57,500 by the Countrywide Surveyors, Chartered Surveyors on an existing use basis.

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

6 Investments

| | 2016 | 2015 |
|---|-------------------|-------------------|
| | £ | £ |
| Fair value at the start of the year | 17,524,154 | 15,190,718 |
| Additions at cost | 36,563 | 1,324,634 |
| Net gain / (loss) on change in fair value | 450,962 | 1,008,802 |
| | 18,011,679 | 17,524,154 |
| Cash held by investment broker pending reinvestment | 1,151,715 | 569,882 |
| Fair value at the end of the year | 19,163,394 | 18,094,036 |
| Historic cost at the end of the year | 12,037,868 | 11,419,472 |

Investments comprise:

| | 2016 | 2015 |
|--|-------------------|------------|
| | £ | £ |
| UK Common investment funds | 17,161,679 | 16,674,154 |
| Unlisted shares in UK registered companies | 850,000 | 850,000 |
| Cash | 1,151,715 | 569,882 |
| | 19,163,394 | 18,094,036 |

Investments representing over 5% by value of the portfolio comprise:

| | 2016 | 2015 |
|---|-------------------|-------------------|
| | £ | £ |
| Henderson Global Care UK Income I Inc | 14,773,485 | 14,536,553 |
| Henderson Institutional Global Care Managed I Account | 2,388,194 | 2,137,603 |

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

7 Debtors

| | 2016 | 2015 |
|------------------------------|----------------------------|---------------------|
| | £ | £ |
| Other debtors | 131,298 | 224,664 |
| Prepayments & accrued income | 144,528 | 159,925 |
| | <hr/> 275,826 <hr/> | <hr/> 384,589 <hr/> |

8 Creditors: amounts falling due within one year

| | 2016 | 2015 |
|------------------------------|------------------------------|-----------------------|
| | £ | £ |
| Trade creditors | 191,789 | 197,665 |
| Taxation and social security | 45,938 | 50,785 |
| Other creditors | 946,027 | 1,049,648 |
| Accruals | 54,000 | 63,552 |
| Deferred income | 125,010 | 134,593 |
| | <hr/> 1,362,764 <hr/> | <hr/> 1,496,243 <hr/> |

9 Analysis of bank balances and cash

| | 2016 | 2015 |
|---|----------------------------|---------------------|
| | £ | £ |
| Main Fund | 341,213 | 481,766 |
| Policital Fund | (34,978) | 6,155 |
| Balances at Branches, Self Organised Groups and Divisional Councils | 32,322 | 41,262 |
| | <hr/> 338,557 <hr/> | <hr/> 529,183 <hr/> |

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

10 Defined benefit pension scheme asset

The disclosures below have been prepared for the Transport Salaried Staffs' Association (the "Association") in relation to benefits payable from the Transport Salaried Staffs' Association Staff Pension Scheme (the "Scheme").

The Scheme is a funded scheme of the defined benefit type, providing retirement benefits based on salary. The Scheme has assets held in a separately administered fund managed by a Management Committee. The Association and Management Committee have agreed a funding plan to ensure the Scheme is sufficiently funded to meet current and future obligations. A formal schedule of contributions was drawn up on 2 November 2016 whereby the Association will pay 19.5% of pensionable salary for five years from November 2016 to cover accrual of benefits for future service.

Association contributions to the Scheme in 2017 are estimated to be £421k. Additional Association contributions may be required if there are any augmentations during the year.

The valuation used for FRS 102 disclosures has been based on a full assessment of the liabilities of the Scheme as at 31 December 2015. The present values of the defined benefit obligation, the related current service cost and any past service costs were measured using the projected unit credit method.

The principal assumptions used to calculate the liabilities under FRS 102 are set out below:

Main assumptions

| | 31 December 2016 %p.a. | 31 December 2015 %p.a. | 31 December 2014 %p.a. |
|--|------------------------------|------------------------------|------------------------------|
| RPI inflation | 3.70 | 3.50 | 3.40 |
| CPI inflation | 2.70 | 2.50 | 2.40 |
| Rate of general long-term increase in salaries | 4.70 | 4.50 | 4.40 |
| Rate of increase to pensions in payment (in excess of GMP) | 3.70 | 3.50 | 3.40 |
| Discount rate for Scheme liabilities | 2.80 | 4.00 | 3.70 |
| Longevity for member currently aged 60 | | | |
| ▪ male | 88 | 88 | 88 |
| ▪ female | 90 | 90 | 90 |
| Longevity for member reaching 60 in 20 years | | | |
| ▪ male | 90 | 90 | 90 |
| ▪ female | 92 | 92 | 93 |

Sensitivities of assumptions

The table below provides information on the sensitivity of the defined benefit obligation to changes to the most significant actuarial assumptions. The table shows the impact of changes to each assumption in isolation although, in practice, changes to assumptions may occur at the same time and can either offset or compound the overall impact on the defined benefit obligation. These sensitivities have been calculated using the same methodology as used for the main calculations, and there has been no change since the previous period to the method and assumptions used in preparing the sensitivity analysis. The weighted average duration of the defined benefit obligation is 22 years.

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

Percentage change to Defined Benefit Obligation

| Assumption | Change to assumption | |
|---------------|-----------------------|------------------------|
| | Increase by 0.25%p.a. | Decrease by 0.25% p.a. |
| Discount rate | -5% | +6% |
| Inflation* | +5% | -5% |

* Please note that this change in inflation allows for corresponding changes to salary increases, deferred revaluation and pension increase assumptions

Our calculations

An increase of one year in the assumed life expectancy for both males and females would increase the Defined Benefit Obligation by 3%

Fair value of assets

| | Value at 31 December 2016 (£K) | Value at 31 December 2015 (£K) | Value at 31 December 2014 (£K) |
|--------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Equities | 19,791 | 15,832 | 15,460 |
| Index-linked bonds | 23,735 | 18,660 | 18,896 |
| Other | 88 | 93 | 90 |
| Total | <u>43,614</u> | <u>34,585</u> | <u>34,446</u> |

Reconciliation of funded status to balance sheet

| | Value at 31 December 2016 (£K) | Value at 31 December 2015 (£K) |
|---|--------------------------------------|--------------------------------------|
| Fair value of Scheme assets | 43,614 | 34,585 |
| Present value of funded defined benefit obligations | <u>42,430</u> | <u>32,878</u> |
| | 1,184 | 1,707 |
| Surplus not recoverable in the future | <u>-</u> | <u>-</u> |
| Asset recognised on the balance sheet | <u>1,184</u> | <u>1,707</u> |

Analysis of profit and loss

| | Year ending 31 December 2016 (£K) | Year ending 31 December 2015 (£K) |
|---------------------------------------|---|---|
| Current service cost | 605 | 956 |
| Administration expenses | 184 | 115 |
| Net interest cost | (80) | (59) |
| Expense recognised in profit and loss | <u>709</u> | <u>1,012</u> |

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

Changes to the present value of the defined benefit obligation

| | Value at 31 December 2016 (£K) £ | Value at 31 December 2015 (£K) £ |
|---|---|---|
| Opening defined benefit obligation | 32,878 | 33,160 |
| Current service cost | 605 | 956 |
| Expenses | 184 | 115 |
| Interest cost | 1,292 | 1,207 |
| Contributions by Scheme participants | 169 | 163 |
| Remeasurement (gains) / losses | | |
| Actuarial losses / (gains) on Scheme liabilities in respect of assumptions | 9,518 | (1,498) |
| Actuarial (gains) on Scheme liabilities in respect of experience | (1,026) | (145) |
| Net benefits paid out | (1,190) | (1,080) |
| Closing defined benefit obligation | <u>42,430</u> | <u>32,878</u> |

Changes to the fair value of Scheme assets

| | Year ending 31 December 2016 (£K) | Year ending 31 December 2015 (£K) |
|--|--|--|
| Opening fair value of Scheme assets | 34,585 | 34,446 |
| Interest income on Scheme assets | 1,371 | 1,266 |
| Remeasurement (losses)/gains | | |
| Return on Scheme assets less interest income | 8,271 | (657) |
| Contributions by the Association | 408 | 447 |
| Contributions by Scheme participants | 169 | 163 |
| Net benefits paid out | (1,190) | (1,080) |
| Closing fair value of Scheme assets | <u>43,614</u> | <u>34,585</u> |

Analysis of amounts recognised in the other comprehensive income

| | Year ending 31 December 2016 (£K) | Year ending 31 December 2015 (£K) |
|--|--|--|
| Return on Scheme assets less interest income | 8,271 | (657) |
| (Losses)/gains on assumptions | (9,518) | 1,498 |
| Experience gains on Scheme liabilities | 1,026 | 145 |
| Total gain / (loss) | <u>(221)</u> | <u>986</u> |

Transport Salaried Staffs' Association

Notes to the financial statements

For the year ended 31 December 2016

Actual return on Scheme assets

| | Year ending 31 December 2016 (£K) | Year ending 31 December 2015 (£K) |
|--|---|---|
| Interest Income on Scheme assets | 1,371 | 1,266 |
| Return on Scheme assets less interest income | 8,271 | (657) |
| Total return on Scheme assets | <u>9,642</u> | <u>609</u> |

MEMBERSHIP AUDIT CERTIFICATE

(see notes 88 to 94)

made in accordance with section 24ZD of the
Trade Union and Labour Relations (Consolidation) Act 1992.

At the end of the reporting period preceding the one to which this audit relates was the total membership of the trade union greater than 10,000?

YES/~~NO~~

If "YES" please complete SECTION ONE below or provide the equivalent information on a separate document to be submitted with the completed AR21.

If "NO" please complete SECTION TWO below or provide the equivalent information on a separate document to be submitted with the completed AR21.

MEMBERSHIP AUDIT CERTIFICATE SECTION ONE

For a trade union with more than 10,000 members, required by section 24ZB of the 1992 Act to appoint an independent assurer

1. In the opinion of the assurer appointed by the trade union was the union's system for compiling and maintaining its register of the names and addresses of its members satisfactory to secure, so far as is reasonably practicable, that the entries in its register were accurate and up-to-date throughout the reporting period?

YES/~~NO~~


2. In the opinion of the assurer has he/she obtained the information and explanations necessary for the performance of his/her functions?

YES/~~NO~~

If the answer to **either** questions 1 or 2 above is "NO" the assurer must:

- (a) set out below the assurer's reasons for stating that
- (b) provide a description of the information or explanation requested or required which has not been obtained
- (c) state whether the assurer required that information or those explanations from the union's officers, or officers of any of its branches or sections under section 24ZE of the 1992 Act
- (d) **send a copy of this certificate to the Certification Officer as soon as is reasonably practicable after it is provided to the union.**

MEMBERSHIP AUDIT CERTIFICATE (continued)

| | |
|-----------------------------------|---|
| Signature of assurer |  |
| Name | PAUL SCHOLEY |
| Address | clo MORRISH SOLICITORS LLP OXFORD HOUSE OXFORD ROW LEEDS LS1 3BE |
| Date | 20/09/2017 |
| Contact name and telephone number | PAUL SCHOLEY 033 3344 9600 |

Statement to the Certification Officer in relation to political fund expenditure

The Transport Salaried Staffs' Association political fund was recorded in deficit by £41,133 in the Annual Return for year end 2016. This was due to unbudgeted expenditure of £62,950 and a fall in Political Fund income of £6,500 compared to the previous year. Payments for political activity made from the date the fund went into deficit were instead made from the general fund.

On becoming aware of this, the union ceased further contributions into the political fund. In essence, political fund contributions by members from this date have been credited to the general fund.

This will continue until such time as the political fund returns to a surplus, that is until the deficit of £41,133 has been returned to the general fund. During this time, no payments to or from the political fund will be made.

Signed Frank Ward

Position Assistant General Secretary

Date 2/2/18.

